



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 24, 2001

William R. Wilson, President
Basin Perlite Company
1776 Lincoln Street, Suite 900
Denver, Colorado 80203

Re: Formal Approval of Revised Notice of Large Mining Operations and Replacement Reclamation Surety, Basin Perlite Company, Pearl Queen Mine, M/001/027, Beaver County, Utah

Dear Mr. Wilson:

On August 22, 2001, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of the replacement reclamation surety for Basin Perlite Company's Pearl Queen Mine. The replacement surety is in the form of a surety bond endorsement issued by American Manufacturers Mutual Insurance Company increasing the existing surety #~~XXXXXXXXXX~~ from \$40,800 to \$133,600. The endorsement also increases the acreage from 10 acres to 25.16 acres. Your revised notice only changes the acreage to a total of 23.5 acres. However, you have opted to increase the proposed acreage to 25.16 so you will have a small buffer. The increased acreage has been calculated into the revised surety amount.

The Division hereby grants its final approval of your revised large mining notice and the replacement reclamation surety for the Pearl Queen Mine. You may commence with your mining operations as outlined in your revised notice provided you have received formal approval from the Bureau of Land Management and the School and Institutional Trust Lands Administration, for the 4.86 acres located on BLM managed lands and the 20.3 acres located on SITLA lands.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms w/surety endorsement for your files. We are also returning to you the original Reclamation Contract which was received March 28, 2001 for your disposal.

Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

FOR D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: #1) copies of 8/16/2001 RC & rider - #2) original RC rec'd 3/28/01

cc: Jay Gatten, North American Exploration - w/Encl #1

John Blake, SITLA w/Encl #1

Ed Ginouves, BLM w/Encl #1

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